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ZERO-BASED BUDGET

Spending programs should be evaluated from the ground up at least once every 3 years. This approach would require that agency appropriations be justified on the basis of its program's proven worth. Too often, Congress simply looks at the agency's appropriation last year, then adds a little more for the current year.

CONGRESSIONAL OVERSIGHT

The awesome size and complexity of the budget demands that budget committees, one in the House and one in the Senate, be created to assign spending priorities and make a comprehensive review of the fiscal and monetary ramifications of the President's annual budget request.

The Budget and Impoundment Control Act of 1974, H.R. 7130, which I supported, would provide the kind of close congressional inspection of the budget we need. The bill has been passed by both Houses and the House-Senate conference report should be voted on in the near future.

The bill would provide a mechanism for Congress to regain control over the budget by establishing a procedure for looking at the budget as a whole and determining the desired levels of spending, revenues, deficit or surplus, and debt in order to affect the economy in the most advantageous way. It would allow Congress to determine spending priorities.

By establishing a Legislative Budget Office with the power to obtain data directly from executive agencies, the bill would provide Congress with an independent source of information on a par with the Executive's Office of Management and Budget. The amount of uncontrollable spending would be diminished by giving the Appropriations Committee authority to rescind appropriations and jurisdiction over backdoor spending.

The bill would allow Congress to decide on competing claims on the budget in some comprehensive manner, rather than in isolation from one another as is the case now when Congress acts on various appropriations bills separately and over a number of months.

I believe this measure will provide a needed check on unrestrained Government spending. Hopefully, the legislation will also assure the taxpaying public that Federal spending is responsibly handled and not out of control.

STAR-NEWS ARTICLE PRESENTS ACCURATE PICTURE OF ST. CROIX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the Virgin Islands (Mr. DE LUGO) is recognized for 5 minutes.

Mr. DE LUGO. Mr. Speaker, I am frequently questioned by my colleagues concerning conditions on St. Croix in the Virgin Islands. Therefore, I am pleased to place the following article from the Washington Star-News of June 9, 1974, in the RECORD. This account tells of the progress which has been made on this beautiful island and the optimism which is building for its future. The article notes that those found guilty of the violent acts almost 2 years ago, which triggered the negative publicity St. Croix has received in the recent past, are in jail with eight successive life imprisonment terms. The police department has more than doubled, and has received greatly improved equipment and training in modern law enforcement technique. In addition, no acts of violence against tourists have taken place since 1972.

The daughter of one of our colleagues has been teaching school on St. Croix for over a year, and many others report constituent interest in opportunities on the island. I urge all of the Members of this House to read this article, and I hope as many as possible will visit St. Croix in the coming months.

The article follows:

ST. CROIX FIGHTS IMAGE

(By Betty Ross)

ST. CROIX, U.S. Virgin Islands.—"St. Croix is going to be booming in about a year. It has a bigger future than any other island in the Caribbean. And I know them all, from Cuba to Trinidad."

This optimistic comment comes from Erik Lawaetz, hotel owner and member of one of the oldest Danish families on St. Croix.

The unfavorable publicity following the murder of eight tourists at Fountain Valley Golf Course in September, 1972, has hit the island in its collective pocketbook. Some shopowners have shortsightedly sold their businesses and returned to the mainland. Hotels that normally operate at capacity from Christmas to Easter now have occupancy rates ranging between 10 percent and 30 percent.

Although most hotel owners aren't cutting their rates, they are upgrading accommodations so you get a better room for less money than before.

After a week on the island, a visitor begins to wonder whether some of the stories of racial tension and unrest are exaggerated. Consider the following examples: A local resident never locks her door and, in fact, admits that she doesn't even know where her house key is. And she's not bothering to look for it.

The owner of a condominium apartment overlooking the Caribbean says she feels perfectly safe at all times and echoes the "open door" policy.

A black bartender is sure St. Croix will come out of its economic doldrums stronger than ever. "We must all put our hands together," he says.

And the same upbeat theme is repeated by a black taxi driver as he says "We're going to make it."

So far, this U.S. territory has successfully resisted efforts to bring gambling to the island. And some people think gambling interests are behind the bad publicity. A young graduate student disagrees, however, and says simply "Sensationalism sells newspapers."

According to Lawaetz, St. Croix's economic troubles coincided with sensational press reports of the Fountain Valley trials last August. The five defendants, all now behind bars, were sentenced to eight successive life imprisonment terms each. Lawaetz's hotel, St. Croix by the Sea, received 900 cancellations in two weeks and other hotels were similarly hard hit.

Today the island's police force is larger—up from 60 three years ago to 140 now—and better trained.

Gov. Melvin Evans and other officials point out that there have been no incidents of violence affecting tourists in two years. They say St. Croix is safe and they're hoping a series of familiarization tours for travel agents and journalists will help to stimulate travel to the Virgin Islands again.

True, this island paradise has its share of social and economic problems. Discontented young Viet Nam veterans—including members of the island's leading families—have sparked some of the trouble. Faint stirrings of black consciousness echo similar rumblings on other Caribbean islands.

Mainland problems, such as drug addiction and burglaries, have filtered into the island culture. But the average vacationer sees no signs of trouble—other than the mute testimony of uncrowded beaches and half-empty hotels and restaurants.

Local residents are friendly and courteous. Whether in giving directions or in solving more complicated problems, they go out of their way to be helpful.

For example, I bought a painting by Roy Lawaetz, Erik's talented young artist son. At departure time, we discovered the painting was too large to fit in the car taking us to the airport. Another driver nearby volunteered to take the picture, at no charge, in his station wagon. When we reached the airport, my painting was already there, safely enclosed behind the Eastern Airlines ticket counter.

St. Croix has faced adversity before and Cruzans believe they're on the verge of making a comeback once again. Seven flags—Spanish, British, Dutch, French, Maltese, Danish and American—have flown over St. Croix, largest of the Virgin Islands, since its discovery by Christopher Columbus in 1493.

The United States bought the Virgin Islands, which include St. Thomas and St. John as well as St. Croix, from Denmark in 1917.

Mostly, St. Croix is an informal sort of place with a relaxed attitude toward the clock and mainland pressures.

One can browse in duty-free shops in Christiansted and Frederiksted. There's Whim Greathouse, a restored 18th-century plantation and museum. And there's snorkeling at Buck Island Reef, plus sailing, deep-sea fishing and swimming in turquoise Caribbean waters. The tennis craze is catching on and several hotels now boast brand-new courts.

During most of the island's history, sugar was king. Now tourism is the king, queen and crown prince of St. Croix.

St. Croix has become increasingly popular with retirees, drawn by the mild climate, spectacular scenery and friendliness of the natives. As a result, within the last decade, scores of condominiums and strikingly modern homes—many of which can be rented—have mushroomed.

According to a local guidebook, "Sunburn is the greatest single threat to your well-being in the Virgin Islands." If the optimism of Erik Lawaetz and others is correct, that sentence will soon sum up the perils of St. Croix again.

H.R. 12004 AND S. 3399—BILLS TO ESTABLISH A STATUTORY SYSTEM TO GOVERN THE NATION'S SECURITY CLASSIFICATION ACTIVITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

Mr. ALEXANDER. Mr. Speaker, the distinguished chairman of the Foreign Operations and Government Information Subcommittee on which I serve, the gentleman from Pennsylvania (Mr. MOORHEAD), testified before the Senate Intergovernmental Relations Subcommittee in support of legislation to improve the operation of our security clas-

sification system within the executive branch.

The Moorhead bill is cosponsored in the Senate by Senator LEE METCALF of Montana (S. 3399) and here in the House by myself and 23 other Members (H.R. 12004).

Our subcommittee has spent years in intense study of the security classification system and has held several weeks of hearings during the past two Congresses on this important subject, resulting in the unanimous issuance of House Report 93-221 by the House Government Operations Committee in May 1973. This legislation carries out the major recommendation of that report, the need for replacing the present Executive Order 11652 with a statute that will provide a workable, secure, and enforceable classification system that will safeguard our truly vital national defense secrets.

Mr. Speaker, I include at this point in the RECORD the full text of Chairman MOORHEAD'S statement:

STATEMENT BY HON. WILLIAM S. MOORHEAD

Mr. Chairman, Members of the Committee, I welcome this opportunity to discuss with you the important legislation you are considering at these hearings.

HISTORICAL BACKGROUND

As you know, the House Subcommittee on Foreign Operations and Government Information and its predecessor units under the chairmanship of Representative John E. Moss of California first began investigations of the operation of the Nation's security classification system in 1956. Public hearings by the Moss Subcommittee spanned a two-year period, centering on the Defense Department. In June 1958, the Committee issued H. Rept. 1884 (85th Congress, 2d Session) setting forth extensive findings and conclusions of its investigations and hearings on the classification system. It made a number of sweeping recommendations, which—if they had been fully implemented by Executive branch officials—might well have brought about enough administrative reforms to have avoided the "security classification mess," belatedly addressed by President Nixon in March 1972, when he issued Executive Order 11652. Followup investigations, hearings, and studies by our Subcommittee during the late 1950's and early 1960's produced additional evidence of widespread abuse of the security classification system then operating under Executive Order 10501 and resulted in still more strongly worded criticisms of the system in Committee reports and additional strong recommendations for reforms.

As a result of our Committee activity, DoD regulations were amended during the Eisenhower and Kennedy Administrations. Both Presidents amended the basic Executive Order 10501 in an attempt to bring some order out of the classification chaos. Unfortunately, these efforts did little in the long run to bring about any effective reforms in the system. Hundreds of thousands of stamp-happy bureaucrats in dozens of Federal agencies—often with little regard for classification criteria—continued to apply TOP SECRET, SECRET, and CONFIDENTIAL markings to millions of pieces of paper. Lock files bulged to the breaking point and the increased use of photocopy machines in government during the 1960's made it difficult for GSA to keep an adequate inventory of security filing cabinets to meet the demands for more and more storage space. Nobody really knows just how many hundreds of millions or even billions of government documents were classified over this 10 or 15 year span, how much it cost the taxpayers and what the overall consequences might have been. Obviously, the more indiscriminate the use of the classification stamp becomes—the more difficult it becomes to provide the degree of protection needed to safeguard those relatively few truly vital national defense secrets on which our well-being (and perhaps survival as a nation) may ultimately depend.

Mr. Chairman, for purposes of this historical perspective in the Committee's consideration of legislation in this field, I feel that it is important to review some of the key findings and recommendations of our House Subcommittee's hearings reports during the 1950's. Some of these statements apply so clearly to our present situation in 1974 that they could have been written yesterday. For example, our Committee said in its 1958 report:

"Never before in our democratic form of government has the need for candor been so great. The Nation can no longer afford the danger of withholding information merely because the facts fail to fit a predetermined 'policy.' Withholding for any reason other than true military security inevitably results in the loss of public confidence—or a greater tragedy. Unfortunately, in no other part of our Government has it been so easy to substitute secrecy for candor and to equate suppression with security."

In that same report, the Committee also observed:

"* * * In a conflict between the right to know and the need to protect true military secrets from a potential enemy, there can be no valid argument against secrecy. The right to know has suffered, however, in the confusion over the demarcation between secrecy for true security reasons and secrecy for 'policy' reasons. The proper imposition of secrecy in some situations is a matter of judgment. Although an official faces disciplinary action for the failure to classify information which should be secret, no instance has been found of an official being disciplined for classifying material which should have been made public. The tendency to 'play it safe' and use the secrecy stamp, has, therefore, been virtually inevitable . . ."

In November 1957, testimony before our Subcommittee, Vice Admiral John N. Hoskins, then the Department of Defense's Director of Declassification Policy, said:

"* * * When you overclassify, you weaken the whole security system. * * * Throughout the 180 years of our Government, however, I have never known a man to be court-martialed for overclassifying a paper, and that is the reason, I am afraid, we are in the mess we are in today. * * *"

A number of important and far-reaching recommendations were made to the Executive branch in its 1958 report. Among them were the following:

"1. The President should make effective the classification appeals procedure under section 16 of Executive Order 10501 and provide for a realistic, independent appraisal of complaints against overclassification and unjustified withholding of information.

"2. The President should make mandatory the marking of each classified document with the future date or event after which it will be reviewed or automatically downgraded or declassified.

"3. The Secretary of Defense should set a reasonable date for the declassification of the huge backlog of classified information, with a minimum of exceptions.

"4. The Secretary of Defense should direct that disciplinary action be taken in cases of overclassification.

"5. The Secretary of Defense should completely divorce from the Office of Security Review the function of censorship for policy reasons and should require that all changes made or suggested in speeches, articles and other informational material be in writing and state clearly whether the changes are for security or policy reasons.

"6. The Secretary of Defense should establish more adequate procedures for airing differences of opinion among responsible leaders of the military services before a final policy decision is made.

"7. The Congress should reaffirm and strengthen provisions in the National Security Act giving positive assurance to the Secretaries and the military leaders of the services that they will not be penalized in any way if, on their own initiative, they inform the Congress of differences of opinion after a policy decision has been made."

The report likewise pointed out:

"* * * Despite some improvements, the Defense Department's security classification still is geared to a policy under which an official faces stern punishment for failure to use a secrecy stamp but faces no such punishment for abusing the privilege of secrecy, even to hide controversy, error, or dishonesty."

The so-called Coolidge Committee established by Defense Secretary Wilson in August 1956, to study the causes of DOD "leaks" and their relationship to the security classification system made similar findings in its November 1956, report:

"* * * The two major shortcomings in the operation of the classification system are overclassification and deliberate unauthorized disclosures. We further conclude that little, if any progress can be made without a successful attack on these major shortcomings."

The report said that it had found "a tendency on the part of Pentagon officials to 'play it safe' and overclassify; an abuse of security to classify administrative matters; attempts to classify the unclassifiable; confusion from basing security on shifting foreign policy; and a failure to declassify material which no longer requires a secrecy label."

The Coolidge Committee informed Secretary Wilson that unnecessary and improper secrecy had reached such "serious proportions" that it was undermining confidence in the entire security system and leading to the very "leaks" that Secretary Wilson sought to prevent. The report stated:

"For all these reasons overclassification has reached serious proportions. The result is not only that the system fails to supply to the public information which its proper operation would supply, but the system has become so overloaded that proper protection of information which should be protected has suffered. The press regards the stamp of classification with feelings which vary from indifference to active contempt. Within the Department of Defense itself the mass of classified papers has inevitably resulted in a casual attitude toward classified information, at least on the part of many."

In its 1962 report on the status of Executive Order 10501 (H. Rept. 2456, 87th Congress, 2d Session) our Committee stated:

" . . . two of the most important security problems which the committee has discussed over the years still remain to be solved. There are strict penalties for failure to protect a document which may have an effect upon the Nation's security, but there are no penalties for those secrecy minded Government officials who abuse the classification system by withholding, in the name of security, all sorts of administrative documents. A security system which carries no penalties for using secrecy stamps to hide errors in judgment, waste, inefficiency, or worse, is perversion of true security. The praise-worthy slogan of Defense Secretary McNamara—'when in doubt, underclassify'—has little effect when there is absolutely no penalty to prevent secrecy from being used to insure individual job security rather than national military security.

"The committee strongly urges, therefore, that the Defense Department establish administrative penalties for misuse of the security system, for until the generalizations about the public's right to know are backed up by specific rules and regulations—until set penalties are established for abuse of the classification system—fine promises and friendly phrases cannot dispel the fear that information which has no effect on the Nation's security is being hidden by secrecy stamps."

Such administrative penalties were subsequently established by the Department of Defense in regulations and were reasserted in President Nixon's Executive Order 11652 in 1972. Our studies show, however, that—to this very day—not one penalty, reprimand, or other administrative action has ever been taken against an official of the Federal Government for overclassification abuses. It thus appears that the old adage "when in doubt, overclassify" still is the order of the day.

The Subcommittee's repeated indictments of the security classification system as administered under Presidential Executive Order 11501 were also concurred in by President Nixon in his March 8, 1972 statement that accompanied the text of his new Executive Order 11652. He said:

"Unfortunately, the system of classification which has evolved in the United States has failed to meet the standards of an open and democratic society, allowing to many papers to be classified for too long a time. The controls which have been imposed on classification authority have proved unworkable, and classification has frequently served to conceal bureaucratic mistakes or to prevent embarrassment to officials and administrations."

RECENT HOUSE COMMITTEE INVESTIGATIONS

The publication of the so-called "Pentagon Papers" in June 1971, triggered a new series of hearings and investigations by the Foreign Operations and Government Information Subcommittee into the operation of the Nation's security classification system. We held seven days of hearings in June and July of that year, taking testimony from Executive branch officials responsible for operation of the system, from media representatives, legal scholars, and other experts on classification.

These hearings were followed by another six days of testimony in May 1972, in which our Subcommittee explored every facet of classification procedure, regulations, operational details, and also probed into the provisions of the new Executive Order 11652, which had been issued in March 1972, but which had not yet taken effect. Again, witnesses from key Executive agencies most heavily involved in security classifications activities testified, along with well-informed outside experts in this field.

The results of these 1971–1972 hearings are contained in our unanimous Committee report of May 22, 1973, (H. Rept. 93–221). This comprehensive 113 page document deals with every aspect of the security classification system. It traces the historical development of the present system and documents in great detail its major shortcomings. It also calls attention to structural deficiencies of the new Executive Order 11652, most of which have been borne out by our Subcommittee's oversight of its operation during the past two years. Since copies of this report are available to Senators and staff, I will only briefly comment on its conclusions, but commend to you a careful reading of pages 100–103 of the report. Let me quote a few of the major points we made:

"Over the years, the committee's findings and conclusions have documented widespread over classification, abuses in the use of the classification stamps, and other serious defects in the operation of the security classification system. These committee documents have revealed dangerous shortcomings of a system that has been administratively loose and uncoordinated, unenforced and perhaps unenforceable. It has functioned in a way to deny public access to essential information. It has spawned a strangling mass of classified documents that finally weakened and threatened a breakdown of the entire system.

"These same committee reports have repeatedly made constructive recommendations to executive agencies to help correct the administrative and judgmental deficiencies of the security classification system. Unfortunately for the integrity of the system and for the taxpayers who must pay millions of dollars annually to keep the classification machine running, many of these recommendations have gone unheeded."

The report also states:

"The committee believes that there is an unquestioned need for Federal agencies to avoid the release or dissemination to the public of certain sensitive types of information, the safeguarding of which is truly vital to protecting the national defense and to maintain necessary confidentiality of dealings between our country and foreign nations.

"The committee also believes, however, that the Nation is strengthened when the American public is informed on matters involving our international commitments and defense posture to the maximum extent possible, consistent with our overriding security requirements. Our fundamental liberties are endangered whenever abuses in the security system occur. Within these constraints, when information that should be made available to the people is unnecessarily withheld by Government—for whatever the reason—our representative system is undermined and our people become less able to judge for themselves the stewardship of Government officials. Information is essential to knowledge—and knowledge is the basis for political power. Under our governmental system, maximum access to information must, therefore, always reside firmly in the hands of the American people."

Based on more than a decade of careful investigation, months of public hearings, staff studies, and many dozens of reports, the House Committee on Government Operations unanimously recommended in this 1973 report as follows:

"The committee therefore strongly recommends that legislation providing for a statutory security classification system should be considered and enacted by the Congress. It should apply to all executive departments and agencies responsible for the classification, protection, and ultimate declassification of sensitive information vital to our Nation's defense and foreign policy interests, Such a law should clearly reaffirm the right of committees of Congress to obtain all classified information held by the executive branch when, in the judgment of the committee, such information is relevant to its legislative or investigative jurisdiction. The law should also make certain that committees of Congress will not be impeded in the full exercise of their oversight responsibilities over the administration and operation of the classification system."

CLASSIFICATION REFORM LEGISLATION

To carry out the mandate of our Committee, I introduced H.R. 12004 with 24 House co-sponsors last December. It is drafted as an amendment to the Freedom of Information Act (5 U.S.C. 552). President Nixon—in issuing Executive Order 11652—directly linked his authority for its issuance to that Act. I am also convinced that this is the appropriate part of the present law for any statutory security classification program. A Member of this Subcommittee, Senator Lee Metcalf, was kind enough to introduce an identical measure—S. 3399—so that it could be considered by this Subcommittee during these hearings. Our Subcommittee has also planned hearings on H.R. 12004 next month.

Of course, your are presently considering several other bills that would deal in various ways with the overall security classification problem. They are reprinted and analyzed in your excellent Committee Print so I will limit my comments to the legislative direction taken in H.R. 12004 and S. 3399. It goes without saying that I am totally persuaded by the overwhelming preponderance of evidence produced during our exhaustive studies of this problem that Congress must enact a statutory security classification mechanism to effectively bring order and rationality out of the present chaotic system. I feel that this is absolutely essential, not only from an efficient administrative or operational need, but more importantly, from the critical public policy requirements inherent in the effective functioning of a classification system. It must provide maximum protection to our Nation's truly vital defense secrets, affording sufficient levels of selectivity to maintain the overall integrity of the entire system. At the same time, is must provide sufficient declassification flexibility to permit the Federal government to share—ass fully as possible—with the American public who foots the bill those marginal types of information about our defense and foreign policy commitments that will enable all citizens to better understand governmental policies in these vital areas. This is an absolute essential if any representative system is to retain that degree of public acceptance and support for its policies on which its survival ultimately depends. The need to protect and reassert public's "right to know" cannot be over emphasized in these troubled times when domestic crises have seriously undermined the credibility of our highest governmental leaders and the very institution of government in the United States. Polls, these days, clearly show that governmental officials rank well below garbage collectors on the public confidence scale.

Mr. Chairman, I do not believe that there is any serious Constitutional argument that Congress—if it so determines—does not have the authority to enact a security classification statute to supersede any Executive Order system to govern the activities of Executive agencies in this area. There was considerable testimony in our hearings from outstanding legal authorities and other witnesses to support this view, including a present and former Supreme Court Justice—Justice Rehinquist and former Jutice Goldberg. Moreover, we have carefully studied the operation of the Atomic Energy Commission's own internal statutory classification procedure—Section 142 of the Atomic Energy Act of 1954 (42 U.S.C. 2162)—and have commented favorably in our report on its operational effectiveness, (see pp. 96–99 of H. Rept. 93–221).

The point I am making here is that I believe that is absolutely essential that Congress take the bull by the horns and proceed, as expeditiously as possible, to enact a workable, effective, and comprehensive law to govern the operation of the security classification system within the Executive branch. I am not totally wedded to the unique approach to this objective contained in H.R. 12004 and S. 3399, although I feel that it has many advantages. There are excellent approaches contained in other measures which you have before you. I could enthusiastically support and actively work for passage in the House of any reasonable bill that would make the needed reforms in the present Executive Order system. This is because I am convinced that no Executive Order, lacking the full authority of law and vigorous oversight by the Congress, can cope with the vast classification bureaucracy that has spawned the present classification mess.

This is the clear message of some 18 years of overight work by our Subcommittee.

Whatever form such legislation may take, I firmly believe that it should provide for full judicial review of Executive classification decisions. Hopefully, Congress will take an important step in this direction by enacting pending amendments to the Freedom of Information Act (H.R. 12471—S. 2543), providing authority to the courts to review in camera classified documents claimed to be exempt from public disclosure under subsection (b)(1) of Section 552, U.S. Code. In addition, it is of the utmost importance that such judicial review in classification matters also be extended to certain decisions of the Classification Review Commission established by H.R. 12004 and S. 3399 and by other similar entities that would be created under other pending bills before this Committee. Only in this way can we hope to correct the pitfalls in the present situation, described by Justice Potter Stewart in the Mink case, where there is "no means to question an Executive decision to stamp a document 'secret', however cynical, myopic, or even corrupt that decision might have been."

PROVISIONS OF H.R. 12004—S. 3399

Mr. Chairman, I will limit the remainder of my testimony to a discussion of the approach to a security classification system taken in H.R. 12004 and S. 3399. The present measure is actually a refined version of a "discussion" bill, H.R. 15172, which I introduced in May 1972. Helpful comments on that measure received from a number of experts in the classification field, have been incorporated into H.R. 12004. Since last December when it was introduced, still more valuable suggestions for improving the bill have been forthcoming. These and certain technical defects in the measure will also be corrected and incorporated into a clean bill after our Subcommittee hearings have been completed.

Briefly summarizing the key provisions of H.R. 12004—S. 3399, they follow the basic criteria for any effective security classification system, set forth at pages 100–101 of H. Rept. 93–221. The bill:

Strictly confines classification of national defense information to "Top Secret", "Secret", and "Confidential", depending on the level of damage to the national defense that would be caused by its unauthorized disclosure;

Limits original "Top Secret" classification to only the Department of State, Defense—including the Army, Navy, and Air Force—the Central Intelligence Agency, the Atomic Energy Commission, and designated offices within the Executive Office of the President;

Limits original "Secret" classification to only Departments and agencies listed above and the Department of Justice, Treasury, and Transportation;

Limits original "Confidential" classification to the Departments and agencies listed above and the Department of Commerce and the National Aeronautics and Space Administration;

Provides for a strict limitation upon those top officials in each of the Department and agencies listed above as to who can exercise the authority to classify information. Such officials shall be held fully accountable and shall be subject to reprimand and other disciplinary action for overclassification or other violations of regulations;

Requires a 3-year downgrading procedure for most types of classified national defense information—1 year from "Top Secret" to "Secret," 1 year from "Secret" to "Confidential," and 1 year from "Confidential" to a declassified state, and transfer to the National Archives, where it would then be subject to disclosure provisions of the Freedom of Information Act.

It authorizes a procedural "savings clause" that could be applied narrowly to certain types of highly sensitive national defense information when invoked by the executive department or the President, subject to the approval of the independent Classification Review Commission created under the legislation;

National defense information previously classified is subject to an automatic declassification procedure after a period of 15 years, except for highly sensitive data subject to an automatic declassification procedure after a period of 15 years, except for highly sensitive data subject to the "savings clause" procedure.

Mr. Chairman, perhaps the most unique feature of this legislation is the creation of and broad authority conferred upon an independent regulatory body called the Classification Review Commission (CRC).

The specific provisions I refer to are on pages 14–27 of the bill (subsections (f) and (g) of Section 3). Other duties of the CRC are spelled out on pages 11–14 of the measure.

Briefly, the CRC would be delegated wide regulatory and quasi-adjudicatory powers over the day-to-day operation of the security classification system as it functions within the various Executive agencies having such classification authority. It would consist of nine members, appointed by the President by and with the advice and consent of the Senate. Initial terms would be staggered at 3, 5, and 7 years. No member of the Commission could serve more than one term nor actively engage in any other field of endeavor. Of the members first appointed, in the three classes terms, three members would be appointed from a list recommended by the Speaker of the House, three from a list recommended by the President pro tempore of the Senate, and three as chosen by the President. The Commission would select its own Chairman and Vice Chairman for a two year term, appoint an Executice Secretary, General Counsel, and employ other necessary staff to carry out its duties.

The Commission would prescribe regulations to be adhered to by all Executive agencies having security classification authority, would police these regulations, prescribing administrative reprimand and other penalties for violations (including overclassification), and would adjudicate requests from agencies for exemptions from automatic downgrading and declassification schedules for certain sensitive types of classified information. It would also investigate, upon complaint, allegations of improper classification by Executive agencies, initiated by private citizens (including the news media), officers or employees of the Federal government, and others.

It would be empowered to hold hearings and issue decisions to settle disputes between Congress and the Executive over access to classified information requested by the Congress or the Comptroller General of the United States.

Such decisions, however, would be subject to judicial review by either party at interest in the dispute. In carrying out its overall responsibilities, the CRC would have full subpena powers and the right to seek enforcement in the Federal courts.

The CRS would in no way interfere or supersede any independent investigative or oversight responsibilities in the operation of the statutory security classification system by the appropriate Congressional committees. The CRC would also be empowered to conduct ongoing appraisal of the policies, standards, and operations of the statutory system within the various Executive agencies affected by it. It would also publish annual reports of its activities.

Mr. Chairman, our Subcommittee's long investigative experience in this field convinces me that we cannot depend on individual Executive agencies having classification authority to police themselves against massive abuses of the system. It has not happened during the past two decades under two major presidential Executive Orders. I seriously doubt that it would be much different if such agencies were operating under a statute because of our collateral experience in exercising oversight of the Freedom of Information Act. In this instance, many Executive agencies have been guilty of widespread abuses in denying information from the public to which they are entitled under the Freedom of Information Act. It is for precisely this reason that I feel we need a completely independent, hard-nosed, powerful and dedicated regulatory body to make any security classification law really work the way Congress intends—and work in such a way to control the vast administrative wasteland that now exists in the classification field.

Mr. Chairman, in this connection I was greatly encouraged by the support expressed for this regulatory commission approach contained in H.R. 12004—S. 3399 by the General Accounting Office in its letter report on this legislation dated February 28, 1974. I quote from that report:

"In view of mounting interest and concern regarding the problem of excessive use in classification and secrecy, and the desirable objective of assuring the widest dissemination of information consistent with national security, we agree that general policies governing the classification of national defense information should be established by the Congress. We also agree that the overall administration of such policies should be entrusted to an essentially independent authority. For these reasons we favor the purposes and approach of the bill as it relates to the classification of national defense information."

In summary, this legislation strikes that delicate balance between the conflicting needs of the Congress and the Executive, and the public as a whole in this vital area. But it also requires as rapid disclosure of information as possible, consistent with the national interest. It would replace the unworkable and unmanageable Executive order approach to the security classification system and would provide a practical, enforceable, meaningful administrative mechanism to safeguard the Nation's truly vital defense secrets, while preserving the constitutional need of Congress for information to investigate and to legislate, and maintaining the public's "right to know" that is essential in our representative system of Government.

Mr. Chairman, I appreciated the chance to appear before your distinguished Subcommittee today and will be pleased to discuss any of the provisions of my bill or any other facet of this most complex and important subject.

A FREE MARKET REQUIRES COMPETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 1[illegible] minutes.

Mr. OWENS. Mr. Speaker, the people of this country cannot tolerate high inflation and high interest rates for sustained periods. When they seek leadership and guidance from the executive branch of the Federal Government, they are given the empty promise that "this quarter will be less worse than the last is" that someone or something else is responsible for the highest inflation and interest rates we have ever experienced,